

## Message Text

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ACTION NEA-10

INFO OCT-01 ARA-10 EUR-12 EA-07 ISO-00 CIAE-00 DODE-00

PM-05 H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01

PRS-01 SP-02 SS-15 USIA-06 EB-08 COME-00 TRSE-00

OMB-01 FEAE-00 INT-05 OPIC-03 EPG-02 AID-05 CEA-01

FPC-01 OES-07 STR-04 /123 W

-----093935 271211Z /40

R 270837Z JUL 77

FM USINT BAGHDAD

TO SECSTATE WASHDC 4815

INFO USDOC WASHDC

AMEMBASSY BRASILIA

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

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E.O. 11652: N/A

TAGS: PCOV, ETRD, IZ, IT

SUBJECT: ITALIAN PRIME MINISTER ANDREOTTI MAY VISIT IRAQ IN  
SEPTEMBER TO DISCUSS TRADE

1. ITALIAN EMBASSY OFFICER TOLD USINT OFFICER THAT ITALIAN  
PRIME MINISTER ANDREOTTI TENTATIVELY PLANS TO VISIT IRAQ  
IN SEPTEMBER. THE PRIME MINISTER'S VISIT, WHICH HAS BEEN  
POSTPONED SEVERAL TIMES, FOLLOWS THAT OF ITALIAN MINISTER  
OF TRADE TO BAGHDAD AT BEGINNING OF YEAR AND VISIT OF IRAQI  
MINISTER OF PLANNING ADNAN HUSSEIN HAMDANI TO ROME IN APRIL.  
ACCORDING TO SOURCE, PRIMARY TOPIC OF INTEREST ON  
ITALIAN SIDE IS LARGE TRADE IMBALANCE BETWEEN TWO COUNTRIES:  
ITALY IMPORTS 15-20 PER CENT OF ITS OIL FROM IRAQ AMOUNTING  
TO OVER ONE BILLION DOLLARS IN 196; ITALIAN EXPORTS TO IRAQ  
IN 1976, ON THE OTHER HAND, TOTALLED ONLY ABOUT 250 MILLION DOLLARS.

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2. IN OTHER EFFORTS TO INCREASE ITALIAN EXPORTS TO IRAQ,  
ITALIAN MINISTRY OF TRADE IS ESTABLISHING 3-4 PERSON  
SPECIAL TRADE OFFICE IN BAGHDAD TO SUPPLEMENT TRADE  
PROMOTION EFFORTS OF ITALIAN EMBASSY'S TWO-MAN  
COMMERCIAL SECTION. THE FORMER WILL PROMOTE SALES TO THE  
IRAQI "SOCIALIST SECTOR" TRADING COMPANIES AND TO THE

PRIVATE SECTOR WHEREAS THE LATTER WILL DO ECONOMIC REPORTING AND FOLLOW IRAQI MAJOR PROJECTS.

3. SOURCE COULD ADD NO DETAILS TO PRESS REPORTS AFTER HAMDANI VISIT TO ROME THAT ITALIAN GOVERNMENT IS TRYING TO ORGANIZE CONSORTIUM OF 70 ITALIAN COMPANIES TO BID ON PROJECTS IN IRAQ WORTH OVER 600 MILLION DOLLARS. HE CLAIMED TO KNOW NEITHER WHAT COMPANIES NOR WHAT PROJECTS MAY BE INVOLVED. HE DID SAY, HOWEVER, THAT HE BELIEVED IRAQI AWARD IN MAY OF 130 MILLION DOLLAR CONTRACT FOR LUBRICANTS PLANT TO BE BUILT NEAR BASRAH TO ITALIAN FIRM SNAN-PROGETTI (BUILDERS OF IRAQ'S STRATEGIC PIPELINE) HAS NO RELATIONSHIP TO POSSIBLE CONSORTIUM.

4. COMMENTS: LIKE ITALY, FRANCE AND BRAZIL ALSO IMPORT OVER A BILLION DOLLARS WORTH OF OIL A YEAR FROM IRAQ AND EXPORT TO IRAQ GOODS WORTH ABOUT A QUARTER OR LESS OF OIL PURCHASES. ALL THREE COUNTRIES REGARD IRAQ AS THEIR PRINCIPAL ARAB MARKET IN THE EASTERN MEDITERRANEAN AND, JUDGING FROM COMMENTS OF THEIR LOCAL EMBASSY OFFICERS, HOPE BILATERAL TRADE IMBALANCE ARGUMENT MAY GIVE THEM PREFERENTIAL TREATMENT IN COMPETING WITH FIRMS FROM JAPAN, WEST GERMANY, BRITAIN, THE US AND OTHER COUNTRIES WHICH DO NOT TAKE LARGE AMOUNTS OF OIL FROM IRAQ. WHETHER IRAQIS WILL BE SENSITIVE TO THIS ARGUMENT REMAINS TO BE SEEN; GOI OFFICIALS CUSTOMARILY TAKE LINE THAT OIL SHOULD BE EXCLUDED FROM BILATERAL LIMITED OFFICIAL USE

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TRADE BALANCE CALCULATIONS.  
MACK

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Date:** 22 May 2009  
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**Disposition History:** n/a  
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**Executive Order:** N/A  
**Errors:** N/A  
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**Original Handling Restrictions:** n/a  
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**Subject:** ITALIAN PRIME MINISTER ANDREOTTI MAY VISIT IRAQ IN SEPTEMBER TO DISCUSS TRADE  
**TAGS:** OVIP, ETRD, IZ, IT, (ANDREOTTI, GIULIO)  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009